STATE OF MONTANA TERM CONTRACT

Department of Administration State Procurement Bureau 165 Mitchell Building PO Box 200135 Helena, MT 59620-0135 Phone: (406) 444-2575 Fax: (406) 444-2529 TTY Users-Dial 711

T.C. #: SPB05-888P

Title: DRUG AND ALCOHOL FIELD TEST KITS AND LABORATORY SERVICES

This is a non-exclusive contract.

http://www.discoveringmontana.com/doa/gsd

| CONTRACT TERM | FROM | JULY 1, 2006 | CONTRACT | NEW () | | | | |
|------------------------|--|---|------------------|--|--|--|--|--|
| | то | JUNE 30, 2007 | STATUS | RENEW (XX) 2 ND RENEWAL, 3 RD YR | | | | |
| VENDOR ADDRESS | REDWOOD TOXICOLOGY LABORATORY 3650 WESTWIND BLVD SANTA ROSA CA 95403 | | ORDER ADDRESS | | | | | |
| ATTN: | ROBERT A MOUNT | | ATTN: | | | | | |
| PHONE: | (800) 2 | 255-2159 or (707) 577-7958 | PHONE: | | | | | |
| FAX: | (707) 5 | 77-8102 | FAX: | | | | | |
| E-MAIL: | | ne@redwoodtoxicology.com redwoodtoxicology.com | E-MAIL: | | | | | |
| PRICES: DELIVERY: | PER CONTRACT PER CONTRACT | | | | | | | |
| F.O.B.: | PER CONTRACT PER CONTRACT | | | | | | | |
| TERMS: | PER CONTRACT | | | | | | | |
| REMARKS: | | | | | | | | |
| IFB/RFP No.: S 888P | PB05- | PENNY MOON, CONTRACTS C | PFFICER | DATE: | | | | |

AUTHORIZED SIGNATURE

STANDARD TERMS AND CONDITIONS

By submitting a response to this invitation for bid, request for proposal, limited solicitation, or acceptance of a contract, the vendor agrees to acceptance of the following Standard Terms and Conditions and any other provisions that are specific to this solicitation or contract.

ACCEPTANCE/REJECTION OF BIDS, PROPOSALS, OR LIMITED SOLICITATION RESPONSES: The State reserves the right to accept or reject any or all bids, proposals, or limited solicitation responses, wholly or in part, and to make awards in any manner deemed in the best interest of the State. Bids, proposals, and limited solicitation responses will be firm for 30 days, unless stated otherwise in the text of the invitation for bid, request for proposal, or limited solicitation.

ACCESS AND RETENTION OF RECORDS: The contractor agrees to provide the department, Legislative Auditor, or their authorized agents, access to any records necessary to determine contract compliance (Mont. Code Ann. § 18-1-118). The contractor agrees to create and retain records supporting the services rendered or supplies delivered for a period of three years after either the completion date of the contract or the conclusion of any claim, litigation, or exception relating to the contract taken by the State of Montana or third party.

ALTERATION OF SOLICITATION DOCUMENT: In the event of inconsistencies or contradictions between language contained in the State's solicitation document and a vendor's response, the language contained in the State's original solicitation document will prevail. Intentional manipulation and/or alteration of solicitation document language will result in the vendor's disqualification and possible debarment.

ASSIGNMENT, TRANSFER AND SUBCONTRACTING: The contractor shall not assign, transfer or subcontract any portion of the contract without the express written consent of the department. (Mont. Code Ann. § 18-4-141.)

AUTHORITY: The following bid, request for proposal, limited solicitation, or contract is issued under authority of Title 18, Montana Code Annotated, and the Administrative Rules of Montana, Title 2, chapter 5.

COMPLIANCE WITH LAWS: The contractor must, in performance of work under the contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the contractor subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, the contractor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

CONFORMANCE WITH CONTRACT: No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the contract shall be granted without prior written consent of the State Procurement Bureau. Supplies delivered which do not conform to the contract terms, conditions, and specifications may be rejected and returned at the contractor's expense.

DEBARMENT: The contractor certifies, by submitting this bid or proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the contractor cannot certify this statement, attach a written explanation for review by the State.

DISABILITY ACCOMMODATIONS: The State of Montana does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals, who need aids, alternative document formats, or services for effective communications or other disability-related accommodations in the programs and services offered, are invited to make their needs and preferences known to this office. Interested parties should provide as much advance notice as possible.

FACSIMILE RESPONSES: Facsimile responses will be accepted for invitations for bids, small purchases or limited solicitations ONLY if they are completely <u>received</u> by the State Procurement Bureau prior to the time set for receipt. Bids, or portions thereof, received after the due time will not be considered. Facsimile responses to requests for proposals are ONLY accepted on an <u>exception</u> basis with <u>prior approval</u> of the procurement officer.

FAILURE TO HONOR BID/PROPOSAL: If a bidder/offeror to whom a contract is awarded refuses to accept the award (PO/contract) or, fails to deliver in accordance with the contract terms and conditions, the department may, in its discretion, suspend the bidder/offeror for a period of time from entering into any contracts with the State of Montana.

FORCE MAJEURE: Neither party shall be responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the non-performing party, so long as such party is using its best efforts to remedy such failure or delays.

HOLD HARMLESS/INDEMNIFICATION: The contractor agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State, under this agreement.

LATE BIDS AND PROPOSALS: Regardless of cause, late bids and proposals will not be accepted and will automatically be disqualified from further consideration. It shall be solely the vendor's risk to assure delivery at the designated office by the designated time. Late bids and proposals will not be opened and may be returned to the vendor at the expense of the vendor or destroyed if requested.

PAYMENT TERM: All payment terms will be computed from the date of delivery of supplies or services OR receipt of a properly executed invoice, whichever is later. Unless otherwise noted in the solicitation document, the State is allowed 30 days to pay such invoices. All contractors may be required to provide banking information at the time of contract execution in order to facilitate State electronic funds transfer payments.

RECIPROCAL PREFERENCE: The State of Montana applies a reciprocal preference against a vendor submitting a bid from a state or country that grants a residency preference to its resident businesses. A reciprocal preference is only applied to an invitation for bid for supplies or an invitation for bid for nonconstruction services for public works as defined in section 18-2-401(9), MCA, and then only if federal funds are not involved. For a list of states that grant resident preference, see http://www.discoveringmontana.com/doa/gsd/css/Resources/ReciprocalPreference.asp.

REFERENCE TO CONTRACT: The contract or purchase order number MUST appear on all invoices, packing lists, packages and correspondence pertaining to the contract.

REGISTRATION WITH THE SECRETARY OF STATE: Any business intending to transact business in Montana must register with the Secretary of State. Businesses that are incorporated in another state or country, but which are conducting activity in Montana, must determine whether they are transacting business in Montana in accordance with sections 35-1-1026 and 35-8-1001, MCA. Such businesses may want to obtain the guidance of their attorney or accountant to determine whether their activity is considered transacting business.

If businesses determine that they are transacting business in Montana, they must register with the Secretary of State and obtain a certificate of authority to demonstrate that they are in good standing in Montana. To obtain registration materials, call the Office of the Secretary of State at (406) 444-3665, or visit their website at http://www.sos.state.mt.us.

SEPARABILITY CLAUSE: A declaration by any court, or any other binding legal source, that any provision of the contract is illegal and void shall not affect the legality and enforceability of any other provision of the contract, unless the provisions are mutually dependent.

SHIPPING: Supplies shall be shipped prepaid, F.O.B. Destination, unless the contract specifies otherwise.

SOLICITATION DOCUMENT EXAMINATION: Vendors shall promptly notify the State of any ambiguity, inconsistency, or error, which they may discover upon examination of a solicitation document.

TAX EXEMPTION: The State of Montana is exempt from Federal Excise Taxes (#81-0302402).

TECHNOLOGY ACCESS FOR BLIND OR VISUALLY IMPAIRED: Contractor acknowledges that no state funds may be expended for the purchase of information technology equipment and software for use by employees, program participants, or members of the public unless it provides blind or visually impaired individuals with access, including interactive use of the equipment and services, that is equivalent to that provided to individuals who are not blind or visually impaired. (Mont. Code Ann. § 18-5-603.) Contact the State Procurement Bureau at (406) 444-2575 for more information concerning nonvisual access standards.

TERMINATION OF CONTRACT: Unless otherwise stated, the State may, by written notice to the contractor, terminate the contract in whole or in part at any time the contractor fails to perform the contract.

UNAVAILABILITY OF FUNDING: The contracting agency, at its sole discretion, may terminate or reduce the scope of the contract if available funding is reduced for any reason. (Mont. Code Ann. § 18-4-313 (3).)

U.S. FUNDS: All prices and payments must be in U.S. dollars.

VENUE: This solicitation is governed by the laws of Montana. The parties agree that any litigation concerning this bid, request for proposal, limited solicitation, or subsequent contract, must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees. (Mont. Code Ann. § 18-1-401.)

WARRANTIES: The contractor warrants that items offered will conform to the specifications requested, to be fit and sufficient for the purpose manufactured, of good material and workmanship and free from defect. Items offered must be new and unused and of the latest model or manufacture, unless otherwise specified by the State. They shall be equal in quality and performance to those indicated herein. Descriptions used herein are specified solely for the purpose of indicating standards of quality, performance and/or use desired. Exceptions will be rejected.

Revised 11/03

SPB05-888P

1. PARTIES

THIS CONTRACT, is entered into by and between the State of Montana, Department of Administration, State Procurement Bureau, (hereinafter referred to as "the State"), whose address and phone number are Room 165 Mitchell Building, 125 North Roberts, PO Box 200135, Helena MT 59620-0135, (406) 444-2575 and Redwood Toxicology Laboratory, Inc., (hereinafter referred to as the "Contractor"), whose nine digit Federal ID Number, address and phone number are 68-0332937, 3650 Westwind Blvd., Santa Rosa CA 95403 and (800) 255-2159.

THE PARTIES AGREE AS FOLLOWS:

2. <u>EFFECTIVE DATE, DURATION, AND RENEWAL</u>

- **2.1** Contract Term. This contract shall take effect on July 1, 2006, and terminate on June 30, 2007, unless terminated earlier in accordance with the terms of this contract. (Mont. Code Ann. § 18-4-313.)
- <u>2.2 Contract Renewal.</u> This contract may, upon mutual agreement between the parties and according to the terms of the existing contract, be renewed in one-year intervals, or any interval that is advantageous to the State, for a period not to exceed a total of three additional years. This renewal is dependent upon legislative appropriations.

3. COST/PRICE ADJUSTMENTS

3.1 Price Increases Negotiated Based on Increases in Contractor's Costs. Price increases may be permitted at the time of contract renewal through a process of negotiation with the Contractor and the State. Any price increases must be based on demonstrated industry-wide or regional increases in the Contractor's costs. Publications such as the Federal Bureau of Labor Statistics and the Consumer Price Index (CPI) for all Urban Consumers may be used to determine the increased value.

4. **COOPERATIVE PURCHASING**

Under Montana law, public procurement units, as defined in section 18-4-401, MCA, have the option of cooperatively purchasing with the State of Montana. Public procurement units are defined as local or state public procurement units of this or any other state, including an agency of the United States, or a tribal procurement unit. Unless the bidder/offeror objects, in writing, to the State Procurement Bureau prior to the award of this contract, the prices, terms, and conditions of this contract will be offered to these public procurement units.

5. NON-EXCLUSIVE CONTRACT

The intent of this contract is to provide state agencies with an expedited means of procuring supplies and/or services. This contract is for the convenience of state agencies and is considered by the State Procurement Bureau to be a "Non-exclusive" use contract. Therefore, agencies may obtain this product/service from sources other than the contract holder(s) as long as they comply with Title 18, MCA, and their delegation agreement. The State Procurement Bureau does not guarantee any usage.

6. PURCHASING CARD

The State of Montana has a Purchasing Card (GE MasterCard) Program in place that gives agencies the ability to charge purchases made from these contracts. The State of Montana prefers this method of payment.

7. TERM CONTRACT REPORTING

Term contract holder(s) shall furnish annual reports of term contract usage. Each report shall contain the product description, total quantity sold of each item, total dollars expended, and the name of the agency purchasing the item. The first report for this term contract will be due July 22, 2005.

Reported volumes and dollar totals may be checked by the State Procurement Bureau against State records for verification. Failure to provide timely or accurate reports is justification for cancellation of the contract and/or justification for removal from consideration for award of contracts by the State.

8. SERVICES AND/OR SUPPLIES

Contractor agrees to provide to the State the following services:

- 8.1 General Services. This contract is for Juvenile Probation Departments throughout the state. Juvenile Probation Officers will perform specimen collection and send the samples to the contractor for testing and analysis. The contractor shall provide the field drug and alcohol testing kits. The testing systems shall be portable and easy to use. The field tests shall have a rapid turnaround time to check the results in the client's presence, if desired. All tests sent to a laboratory shall have a turnaround time not to exceed 48 hours and results should be received by fax or e-mail within that time period. A courier service and/or express mailing system for tests sent to the laboratory, as well as all collection supplies shall be made available by the contractor at no additional cost. The contractor shall provide court testimonial services (phone testimonials and affidavits) at no additional charge, and expert courtroom testimony at no more than \$350 per day. Contractor shall provide training for the proper use of their products at no additional charge.
- **8.2** Ordering Instructions. Judicial Districts shall place orders directly with the contractor by way of written purchase orders. The purchase order will identify the Judicial District and include the name and phone number of the person ordering. Orders may be submitted by facsimile transmission.

8.3 Shipping Locations.

- First Judicial District, 228 W Broadway, Helena MT 59601
 - Juvenile Probation, 228 W Broadway, Helena MT 59601
- Second Judicial District, 155 West Granite, Butte MT 59701
 - Juvenile Probation, 155 West Granite, Butte MT 59701
- Third Judicial District, 313 4th Street, Deer Lodge MT 59722
 - Juvenile Probation, 313 4th Street, Deer Lodge MT 59722
- Fourth Judicial District, Missoula County Courthouse, 200 West Broadway, Missoula MT 59802
 - Fourth Judicial District Youth Court, 311 Woody, Missoula MT 59802
- Fifth Judicial District, 2 S Pacific, Cluster #6, Dillon MT 59725
- Fifth Judicial District, Virginia City MT 59755

- Juvenile Probation, Boulder MT 59755
- Sixth Judicial District, 414 E Callender, Livingston MT 59047
 - Juvenile Probation, 414 E Callender, Livingston MT 59047
- Seventh Judicial District, Dawson County Courthouse, Glendive MT 59330
- Seventh Judicial District, 201 West Main, Sidney MT 59270
 - Juvenile Probation, 201 West Main, Sidney MT 59270
- Eighth Judicial District, Cascade County Courthouse, 415 2nd Avenue North, Great Falls MT 59401
 - Eighth Judicial District Youth Court, Courthouse Annex, 325 2nd Avenue North, Great Falls MT 59401
- Ninth Judicial District, 226 First Street S, Shelby MT 59474
 - Juvenile Probation, 20 4th Avenue SW, Conrad MT 59425
 - Juvenile Probation, Choteau MT 59422-0487
 - Juvenile Probation, Valier Civic Center, Valier MT 59486
 - Juvenile Probation, 512 East Main, Cut Bank MT 59427
 - Juvenile Probation, Shelby MT 59474
- Tenth Judicial District, 712 W Main Street, Lewistown MT 59457
 - Juvenile Probation, 12 W Main Street, Lewistown MT 59457
- Eleventh Judicial District, Flathead County Courthouse, 920 South Main Street, Kalispell MT 59903
 - Juvenile Probation, 920 South Main Street, Kalispell MT 59903
 - Twelfth Judicial District, 315 4th Street, Havre MT 59501
 - Juvenile Probation, 315 4th Street, Havre MT 59501
 - Thirteenth Judicial District, Yellowstone County Courthouse, Billings MT 59107
 - Thirteenth Judicial District Youth Court, 217 North 27th Street, Billings MT 59107
 - Youth Intake & Assessment Center, 201 South 30th, Billings MT 59101
 Fourteenth Judicial District, 506 Main Street, Roundup MT 59072
 - Juvenile Probation, 506 Main Street, Roundup MT 59072
 - Fifteenth Judicial District, 400 Second Avenue South, Wolf Point MT 59201
 - Juvenile Probation, 400 Second Avenue South, Wolf Point MT 59201
 - Sixteenth Judicial District, 1010 Main Street, Miles City MT 59301
 - Juvenile Probation, 1010 Main Street, Miles City MT 59301
- Seventeenth Judicial District, 304 3rd Avenue W, Malta MT 59538
 - Juvenile Probation, 304 3rd Avenue W, Malta MT 59538
- Seventeenth Judicial District, 501 Court Square #4, Glasgow MT 59230
- Seventeenth Judicial District, Chinook MT 59523
- Eighteenth Judicial District, Law and Justice Center, 615 16th Avenue, Bozeman MT 59715
 - Juvenile Probation, Law and Justice Center, 615 16th Avenue, Bozeman MT 59715
- Nineteenth Judicial District, Lincoln County Courthouse, 512 California, Libby MT 59923
 - Juvenile Probation, 418 Main Avenue, Libby MT 59923
- Twentieth Judicial District, 106 4th Avenue, Polson MT 59860
 - Juvenile Probation, 106 4th Avenue, Polson MT 59860
- Twenty-First Judicial District, Ravalli County Courthouse, 205 Bedford Street #5012, Hamilton MT 59840
 - Juvenile Probation, 205 Bedford Street, Hamilton MT 59840
- Twenty-Second Judicial District, Columbus MT 59019
 - Juvenile Probation, Hardin MT 59034

9. CONSIDERATION/PAYMENT

- **9.1 Payment Schedule.** In consideration for the drug and alcohol testing program services to be provided, the State shall pay according to the prices established in Attachment A.
- **9.2 Withholding of Payment.** The State may withhold payments to the Contractor if the Contractor has not performed in accordance with this contract. Such withholding cannot be greater than the additional costs to the State caused by the lack of performance.

10. ACCESS AND RETENTION OF RECORDS

- <u>10.1 Access to Records.</u> The Contractor agrees to provide the State, Legislative Auditor or their authorized agents access to any records necessary to determine contract compliance. (Mont. Code Ann. § 18-1-118.)
- <u>10.2</u> Retention Period. The Contractor agrees to create and retain records supporting the drug and alcohol-testing program for a period of three years after either the completion date of this contract or the conclusion of any claim, litigation or exception relating to this contract taken by the State of Montana or a third party.

11. ASSIGNMENT, TRANSFER AND SUBCONTRACTING

The Contractor shall not assign, transfer or subcontract any portion of this contract without the express written consent of the State. (Mont. Code Ann. § 18-4-141.) The Contractor shall be responsible to the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by the Contractor. No contractual relationships exist between any subcontractor and the State.

12. HOLD HARMLESS/INDEMNIFICATION

The Contractor agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State, under this agreement.

13. <u>REQUIRED INSURANCE</u>

<u>13.1 Primary Insurance.</u> The Contractor's insurance coverage shall be primary insurance as respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

<u>13.2 Specific Requirements for Professional Liability.</u> The Contractor shall purchase and maintain occurrence coverage with combined single limits for each wrongful act of \$1,000,000 per SBP05-888P, Page 8

occurrence and \$2,000,000 aggregate per year to cover such claims as may be caused by any act, omission, negligence of the Contractor or its officers, agents, representatives, assigns or subcontractors. Note: if "occurrence" coverage is unavailable or cost prohibitive, the Contractor may provide "claims made" coverage provided the following conditions are met: (1) the commencement date of the contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

<u>13.3 Deductibles and Self-Insured Retentions.</u> Any deductible or self-insured retention must be declared to and approved by the state agency. At the request of the agency either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the State, its officers, officials, employees, or volunteers; or (2) at the expense of the Contractor, the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

13.4 Certificate of Insurance/Endorsements. A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverages, has been received by the State Procurement Bureau, P.O. Box 200135, Helena MT 59620-0135. The Contractor must notify the State immediately, of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc. The State reserves the right to require complete copies of insurance policies at all times.

14. COMPLIANCE WITH THE WORKERS' COMPENSATION ACT

Contractors are required to comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with sections 39-71-120, 39-71-401, and 39-71-405, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither the contractor nor its employees are employees of the State. This insurance/exemption must be valid for the entire term of the contract. A renewal document must be sent to the State Procurement Bureau, P.O. Box 200135, Helena MT 59620-0135, upon expiration.

15. COMPLIANCE WITH LAWS

The Contractor must, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the Contractor subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, the Contractor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

16. PATENT AND COPYRIGHT PROTECTION

- <u>16.1 Third Party Claim.</u> In the event of any claim by any third party against the State that the products furnished under this contract infringe upon or violate any patent or copyright, the State shall promptly notify Contractor. Contractor shall defend such claim, in the State's name or its own name, as appropriate, but at Contractor's expense. Contractor will indemnify the State against all costs, damages and attorney's fees that accrue as a result of such claim. If the State reasonably concludes that its interests are not being properly protected, or if principles of governmental or public law are involved, it may enter any action.
- <u>16.2 Product Subject of Claim.</u> If any product furnished is likely to or does become the subject of a claim of infringement of a patent or copyright, then Contractor may, at its option, procure for the State the right to continue using the alleged infringing product, or modify the product so that it becomes non-infringing. If none of the above options can be accomplished, or if the use of such product by the State shall be prevented by injunction, the State will determine if the Contract has been breached.

17. CONTRACT TERMINATION

- 17.1 Termination for Cause with Notice to Cure Requirement. The State may terminate this contract for failure of the Contractor to perform any of the services, duties, or conditions contained in this contract after giving the Contractor written notice of the stated failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 30. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.
- <u>17.2 Reduction of Funding.</u> The State, at its sole discretion, may terminate or reduce the scope of this contract if available funding is reduced for any reason. (See Mont. Code Ann. § 18-4-313(3).)

18. LIAISON AND SERVICE OF NOTICES

All project management and coordination on behalf of the State shall be through the points of contact designated as the State's liaisons. Contractor shall designate a liaison that will provide the single point of contact for management and coordination of Contractor's work. All work performed pursuant to this contract shall be coordinated between the State's liaisons and the Contractor's liaison.

<u>18.1 State Contract Manager.</u> The State Contract Manager identified below is the State's single point of contact and will perform all contract management pursuant to section 2-17-512, MCA, on behalf of the State. Written notices, requests, complaints or any other issues regarding the contract should be directed to the State Contract Manager.

Penny Moon Room 165 Mitchell Building 125 North Roberts P.O. Box 200135 Helena MT 59620-0135 Telephone # (406) 444-3313 Fax # (406) 444-2529 E-mail pmoon@state.mt.us

<u>18.2 State Project Manager.</u> The State Project Manager identified below will manage the day-to-day project activities on behalf of the State.

Robert Peake, Bureau Chief Youth and District Court Services Supreme Court, Court Administration 301 South Park Helena MT 59601 Telephone # (406) 841-2961 Fax # (406) 841-2955

E-mail: rpeake@state.mt.us

<u>18.3 Contractor Contract Manager.</u> The Contractor Contract Manager identified below will be the single point of contact to the State Contract Manager and will assume responsibility for the coordination of all contract issues under this contract. The Contractor Contract Manager will meet with the State Contract Manager and/or others necessary to resolve any conflicts, disagreements, or other contract issues.

Robert A. Mount 3650 Westwind Blvd. Santa Rosa CA 95403 Telephone # (800) 255-2159 or (707) 577-7958 Fax # (707) 577-8102

E-mail: Suzanne@redwoodtoxicology.com or mary@redwoodtoxicology.com

The State's liaison and Contractor's liaison may be changed by written notice to the other party. Written notices, requests, or complaints will first be directed to the liaison.

19. MEETINGS

The Contractor is required to meet with the State's personnel, or designated representatives, to resolve technical or contractual problems that may occur during the term of the contract or to discuss the progress made by Contractor and the State in the performance of their respective obligations, at no additional cost to the State. Meetings will occur as problems arise and will be coordinated by the State. The Contractor will be given a minimum of three full working days notice of meeting date, time, and location. Face-to-face meetings are desired. However, at the Contractor's option and expense, a conference call meeting may be substituted. Consistent failure to participate in problem resolution meetings two consecutive missed or rescheduled meetings, or to make a good faith effort to resolve problems, may result in termination of the contract.

20. CONTRACTOR PERFORMANCE ASSESSMENTS

The State may do assessments of the Contractor's performance. This contract may be terminated for one or more poor performance assessments. Contractors will have the opportunity to respond to poor performance assessments. The State will make any final decision to terminate this contract based on the assessment and any related information, the Contractor's response and the severity of any negative performance assessment. The Contractor will be notified with a justification of contract termination. Performance assessments may be considered in future solicitations.

21. TRANSITION ASSISTANCE

If this contract is not renewed at the end of this term, or is terminated prior to the completion of a project, or if the work on a project is terminated, for any reason, the Contractor must provide for a reasonable period of time after the expiration or termination of this project or contract, all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this contract, except for those terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the contract. If there are no established contract rates, then the rate shall be mutually agreed upon. If the State terminates a project or this contract for cause, then the State will be entitled to offset the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said termination.

22. CHOICE OF LAW AND VENUE

This contract is governed by the laws of Montana. The parties agree that any litigation concerning this bid, proposal or subsequent contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana and each party shall pay its own costs and attorney fees. (See Mont. Code Ann. § 18-1-401.)

23. SCOPE, AMENDMENT AND INTERPRETATION

- **23.1** Contract. This contract consists of seven numbered pages, any Attachments as required, RFP # SPB05-888P, as amended and the Contractor's RFP response as amended. In the case of dispute or ambiguity about the minimum levels of performance by the Contractor the order of precedence of document interpretation is in the same order.
- <u>23.2 Entire Agreement.</u> These documents contain the entire agreement of the parties. Any enlargement, alteration or modification requires a written amendment signed by both parties.

24. EXECUTION

The parties through their authorized agents have executed this contract on the dates set out below.

DEPARTMENT OF ADMINISTRATION STATE PROCUREMENT BUREAU PO BOX 200135 HELENA MT 59620-0135 REDWOOD TOXICOLOGY LABORATORY, INC. 3650 WESTWIND BLVD. SANTA ROSA CA 95403 FEDERAL ID # 68-0332937

| BY: _ | Penny Moon, Contracts Officer | _BY: _ | | (Name/Title) | |
|-------|-------------------------------|--------|-------|--------------|--|
| ->. | Penny Moon, Contracts Officer | ->. | | (Name/ me) | |
| BY: | (Signature) | _BY: _ | | (Signature) | |
| DATE | : | | DATE: | | |

5.0 COST PROPOSAL

Provide a complete price list stating per unit cost for single through five panel urinalysis testing and for saliva test kits. Laboratory confirmation pricing which includes gas chromatography/mass spectrometry (GC/MS) testing shall be included.

Freight charges shall be prepaid and included in the prices per kit/case. If there is a minimum order amount required to qualify for prepaid freight, state the amount and conditions.

On-Site Panel/Dip Device Pricing:

Three Panel/Dip Device: \$2.20 / device

Four Panel/Dip Device: \$2.50 / device

Five Panel/Dip Device: \$2.80 / device

Urinalysis GC/MS Confirmation: \$9.00 / specimen

A comprehensive list of device configurations is included in the Product Catalog located in the back pocket of this binder.

RTL-Oral Pricing:

RTL-Oral Specimen Collection Devices: \$3.20 per collection device (25 per box)

RTL-Oral Testing Panels \$11.00 per screen

RTL-Oral Six Panel*: OR RTL-Oral Methadone Panel:

Methamphetamine (includes MDMA)

Methamphetamine (includes MDMA)

Amphetamine (includes MDA)

Cocaine/Benzovlecgonine

Amphetamine (includes MDA)

Cocaine/Benzovlecgonine

Opiates PCP PCP

THC Methadone

CONFIRMATION

RTL-Oral GC/MS Confirmation: \$12.50 per analyte

With the exception of the oral fluids collection device (\$3.20) all supplies are provided at no additional cost. Please refer to the RTL Company Profile for more information.

^{*}Confirmation by radioimmunoassay (RIA)